

Remarks at the Parallel Business Summit in Moscow, Russia

July 7, 2009

Good afternoon. *Dobryi den'*. It is a great privilege to join all of you today with President Medvedev. From our first meeting at the G-20 summit in London to our discussions here in Moscow, President Medvedev's leadership has been critical to new progress in U.S.-Russian relations. And the fact that he has experience in business, in the private sector, makes him an invaluable ally in our efforts to improve the commercial ties between our two countries.

I want to thank our Ambassador, John Beyrle, for all the work that he does here in Moscow. And I want to thank all the organizations that helped to bring us here today: the U.S.-Russia Business Council, the American Chamber of Commerce in Moscow, the Russian Union of Industrial Entrepreneurs, Business Russia, and so many others.

All of you are part of a long line of commerce and trade between our peoples. Russia and the U.S. first established diplomatic relations more than 200 years ago. But before we ever exchanged ambassadors, we exchanged goods. Along the way, you gave us a pretty good deal on Alaska. Thank you. [*Laughter*] Even during a long cold war, trade endured: American grains, Russian raw materials. And in recent years, Russian-American trade surged.

So I want to thank all of you for your outstanding ideas on how our two countries can deepen these ties even further with new trade and investments that will create new jobs and prosperity for people in our countries. This was a key message of the speech that I just delivered this morning at the New Economic School, where you've got some of the most talented young people in Russia studying business and economics, recognizing that the future of Russia is intimately wrapped up with commerce.

Now, I've called for a reset in relations between Russia and the United States, but this can't just be a matter of two Presidents. It has to go deeper. It has to be between our people. It has to be more than just security or dismantling weapons. It has to be about our common prosperity, the jobs we create, the innovation we unleash, the industries that we build.

And that's why I made it very clear: America seeks a prosperous Russia that partners with us on a broad range of issues. We want Russia to be selling us goods, and we want Russia to be buying goods from us. And that's why we've created a U.S.-Russia Bilateral Presidential Commission to explore new opportunities for partnership.

Now, many of you here are part of this important work, and I want to thank you. And I also want to thank our commission cochairs for their leadership, and I am confident that they are going to do an outstanding job, our Minister Nabiullina and Commerce Secretary Gary Locke. They both bring a long track record of forging trade relationships and creating jobs in the 21st century in agriculture, in health, in energy, science, and technology.

Our commission reflects a fundamental truth of the global economy, and that is that prosperity is shared. When Russia buys aircrafts from U.S. aerospace companies, that sustains jobs in America. When an America soda company opens a new bottling plant outside of Moscow, that creates jobs for Russians. When our economies grow more intertwined, all of us can make progress.

But if the opportunities of our global economy are shared, so are the risks. Reckless speculation of bankers in one country reverberates on the floor of the Moscow Stock Exchange. A contracting global economy and shrinking trade means closed factories and lost jobs from North America to northern Russia.

So our fortunes are linked, and yet so much potential remains untapped. I said that we had made progress, but consider this: Total trade between our countries is just \$36 billion. Our trade, America's trade with Russia, is only about 1 percent of all our trade with the world—1 percent—a percent that's virtually unchanged since the cold war. And that 36 billion is about the same as our trade with Thailand, a country with less than half of the population of Russia. Surely, we can do better.

In fact, Russia and the United States are natural economic partners. Between us, we're a market of some 440 million consumers, including Russia's growing middle class. There's Russia's skilled workers, vast scientific establishment, and natural resources. On the other hand, there's American leadership in high-tech, manufacturing, agriculture, and capital. So we need to make it easier for American companies to invest in Russia and make it easier for Russian companies to invest in the United States.

There are so many opportunities for cooperation, some of which have already been mentioned. But in order to achieve this better future, we're going to have to do some work, and some of the areas where our Governments are going to have to do work have already been mentioned. We have to promote transparency, accountability, rule of law, on which investments and economic growth depend. And so I welcome very much President Medvedev's initiatives to promote the rule of law and ensure a mature and effective legal system as a condition for sustained economic growth.

We also have to work on bureaucracy. The small example that was just mentioned, I'm sure, is costing millions, billions, cumulatively over time, of lost opportunities and spent person hours unnecessarily, because we simply haven't updated our laws. Russian and American collaboration could unleash opportunities and prosperity across a whole range of endeavors, from agriculture to aerospace, from green construction to clean energy, from transportation to telecommunications, if we seize this moment, if we work together.

Now, government can promote this cooperation. We can help to get out of the way, and we will. But ultimately, individual entrepreneurs and businesses have to advance the agenda. And I commend you for being here to do precisely that, because entrepreneurship and innovation are among the greatest forces in human history when it comes to progress and prosperity. It's our workers, it's our people, it's our ideas, who are the greatest engines of economic growth. It will be with their skills and talent that ultimately will determine the fate of nations in the 21st century, not simply the bountiful natural resources that both America and Russia share.

I'm told there's a Russian proverb that says, "Every seed knows its time." So today I hope that we've planted a seed, a seed of new cooperation and new commerce. And now we must do the work of seeing that that seed grows into a relationship that advances prosperity for our peoples.

So thank you very much for gathering in that spirit. Thank you for your commitment to progress. We need to grow this economy, and we're going to be able to do it faster and more effectively if we're doing it together. Thank you very much.

NOTE: The President spoke at 5:19 p.m. at the Manezh Exhibition Hall. In his remarks, he referred to President Dmitry A. Medvedev and Minister of Economic Development Elvira S. Nabiullina of Russia.

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